



EXPERIENCING REALITY

No longer insulated and recession-proof, Dane County stands to gain by focusing on economic development

By Amanda N. Wegner

In his 1978 gubernatorial campaign, Wisconsin's late Gov. Lee S. Dreyfus referred to Madison as "30 square miles surrounded by reality." But like many other counties and communities, Madison and Dane County have not been immune to the realities of the economic downturn in recent years.

"Yes, Dane County, specifically, tends to be pretty sheltered. To the extent we compare Dane County to the other counties and regions, it's traditionally done really well," says Sean Robbins, executive vice president of Thrive, the economic development organization for the eight-county Madison Region. But Thrive has seen some pressing trends in its internal data. One trend of concern in Dane County: Unemployment has nearly doubled from 2008 to 2010.

"That undermines the myth that Dane County is protected and recession-proof," says Robbins.

And it hasn't been.

SLOW TO ENTER, SLOW TO EXIT

Bolstered by state jobs and the university, Dane County offers an interesting perspective on the downturn, says Ken Harwood, owner of *Wisconsin Development News*.

"Dane was slow to enter and is moving slow to exit the process," says Harwood. "A good number of businesses were not immediately impacted. We didn't go as far down ... and might not come as far back."

One arena where Harwood sees that concern playing out is the residential and commercial real estate space. "Unbelievably good players, like Alexander Company and Keller, major players with great projects, are struggling. They were hit by the recession, weathered it well at the start, but are in difficult positions now."

New ventures and financing have also slowed, says Allen Dines of UW-Madison's Office of Corporate Relations. "There has been a slow in tide," says Dines. "By and large, things have tightened up a bit and early-state companies have dropped off a bit." He adds that financing, even credit financing, remains

tight. Angels and other investors remain, but that is down as well. "Madison is a vital community with a lot of energy and creative thinkers, but it's still a tough environment."

BRIGHT SPOTS

While there certainly have been lows for Dane County in recent years with business closures, stalled projects and more, there are several highs.

Madison College: Just last month, voters approved a \$133.8 million building expansion for Madison College (formerly Madison Area Technical College). The college now will move forward with expansion plans for a new health education center and clinic, more police and fire training facilities, expanding transportation and green manufacturing, as well as facilities upgrades. Planning meetings are underway and construction for the health education center and clinic is slated to begin Summer 2011.

Expansion of Madison College's health education programs will be vital to Dane County. Some of the college's 18 health



WITH AN INCREASE IN ENROLLMENT OF MORE THAN 11% OVER THE PAST TWO YEARS, MADISON COLLEGE IS PLANNING A \$134 MILLION EXPANSION TO MEET THE GROWING NEED FOR CONTINUING EDUCATION.

programs have waiting lists, such as nursing, which has a three-year waiting list.

“This expansion will definitely help with the logjam,” says Madison College President Dr. Bettsey Barhorst. “We will put out more health workers, up to 4,000 more students total.” And those workers, some 90 percent of them, stay in the area. And in the health care field, there are jobs waiting for those new graduates.

The referendum and expansion projects will create other jobs, some 2,400, as well. “There will certainly be a domino effect for the local economy,” says Barhorst.

Meriter: Landlocked at its Park Street location, Meriter has embarked on an ambitious plan to renovate and innovate existing facilities, as well as expand around the county.

“Our projects are driven by three key things,” says Jim Woodward, Meriter president and CEO. At the main hospital, several spaces were long overdue for renovation, including the operating rooms and Birthing Center. Preparing for the forthcoming health care reform, which is “going to change the whole way we provide health care, tipping the model we’ve followed for 45 years on its head,” is also driving Meriter’s projects.

Lastly, health care access is an issue, both in regards to reform and for local insurance enrollees. Physicians Plus, the second-largest HMO in the greater Madison area, has noted

a lack of network physicians on Madison’s east side. These factors drove Meriter to add (among others) two new clinics that recently broke ground: a \$6.5 million, 25,000-square-foot building in Windsor-DeForest and a \$15 million, 56,000-square-foot building in Monona.

Biotech: It should come as no surprise that Dane County (along with Waukesha and Milwaukee counties) was listed as a biotech leader in a recent study by BioForward, a member-driven state association for Wisconsin’s biotechnology industry. In that same study, BioForward notes that biotech has enjoyed three percent job growth over the

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Photos courtesy of the Wisconsin Alumni Research Foundation

JUST THIS MONTH, THE DOORS OPENED FOR THE WISCONSIN INSTITUTES FOR DISCOVERY, A COMBINATION PRIVATE AND PUBLIC RESEARCH FACILITY.

last four years, while other industries experienced a three percent loss.

“Needless to say,” says Bryan Renk, executive director of BioForward, “we are quite pleased with the results.”

In the high-tech sector, says Dines, gains are not immediately realized. With an average of 12.5

years from inception to acquisition, local startups that began in the late 1990s accounted for \$3.6 billion in acquisitions between 2005 and 2008. Things have slowed a bit, say Dines and Renk, and there has been some rare negative news, such as recent news that Roche would close its Madison research office and cut 47 jobs, but “in my book, that’s a rare event,” says Renk.

On a positive note, Virent Energy, which develops sustainable advanced biofuels, closed a major round of funding—\$46 million—last summer. This capital will expand and create jobs in Dane County and “demonstrate real potential for spurring our economy,” says Robbins.

While biotech jobs require high-level talent and higher-than-average salaries, the sector also requires a variety of support services, from lab technicians to lawyers specializing in intellectual property.

“Biotech may seem to exist in a vacuum, but it has far-reaching impacts for the community,” says Renk. “Dane County has really experienced a net gain in recent years.”

Other highlights: Early in December, the Wisconsin Institutes for Discovery (WID) opened. A private-public research facility where interdisciplinary scientists work side-by-side, WID, says Robbins, “is supercharging intellectual property as it relates to job creation and the connection between local industry and the university.” Similarly, the Wisconsin Energy Research Centers are “catalytic for business development through the leveraging of millions of dollars in federal research money.”

In the private sphere, Verona’s Epic overtook American Family Insurance as the largest employer in the county this year. “This reflects a major change in the type of workforce the county employs and attracts, and notes a significant trend toward expanding our export business,” says Robbins.

And Spectrum Brands moved their top executives from Atlanta back to Dane County this summer, “reflecting a positive influx of C-level leadership and decision makers.”

CREATING URGENCY

“Reality” has changed since Dreyfus’ day, and today, “the reality is that Dane County is not insulated from the recession economy,” says Robbins. “The challenge now is to create a real sense of urgency around prioritizing economic development.”

As Dane County stands at this crossroads, says Harwood, it has to view things with a business lens and shift sights to the private sector.

“There’s no magic bullet,” says Harwood, “but we need to put money into companies that are



EPIC, LOCATED IN VERONA, SURPASSED AMERICAN FAMILY THIS YEAR AS DANE COUNTY'S LARGEST EMPLOYER.

here now and doing well and grow them into the Lands' Ends and Epics and Am Fams of the world, real backbone companies. We spend a lot of money chasing things that are 'sexy,' things that are cutting edge and everyone is talking about, but that's not creating new jobs."

Dane County must also continue to raise the bar on its already high quality of life, because

economic development and quality of life are not mutually exclusive.

"We have a choice," says Robbins. "We can continue to rest on laurels and on the success of our past, and our outlook gets more muddled. Or, we can get serious about crafting an economic future, developing ourselves and our

quality of life, and taking the approach that we can do better. With that mindset, we have a tremendous outlook in front of us." **CRW**

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